

CITY OF SAN JOSÉ, CALIFORNIA
Department of Planning, Building and Code Enforcement
801 North First Street, Room 400
San José, California 95110-1795

Hearing Date/Agenda Number
H.L.C. 8/06/03 Item 6.a .

File Number
PDC02-046

Application Type
Planned Development Rezoning

Council District SNI
3 Delmas
Park

Planning Area
Central

Assessor's Parcel Number(s)
259-38-036, -039-042, -044, -109-111, -128, -
131

STAFF REPORT

PROJECT DESCRIPTION

Completed by: Akoni Danielsen

Location: Area bounded by Guadalupe River, Los Gatos Creek, and East Santa Clara and East San Fernando Streets

Gross Acreage: 8.83

Net Acreage: 8.83

Net Density: 145 DU/AC

Existing Zoning: CN-Commercial
Neighborhood, LI-Light Industrial, and HI-
Heavy Industrial

Existing Use: San Jose Water Company offices, surface parking lot, single-
family dwelling

Proposed Zoning: A(PD) Planned Development

Proposed Use: up to 1.025 million square feet of commercial and retail uses
and up to 325 residential units

GENERAL PLAN

Completed by: AD

Land Use/Transportation Diagram Designation: General Commercial and
Residential Support for the Core (25+ DU/AC)

Project Conformance:
[x] Yes [] No
[] See Analysis and Recommendations

SURROUNDING LAND USES AND ZONING

Completed by: AD

North: Public Park

CO(PD), LI Light Industrial

East: State Route 87, Downtown Core

CG Commercial

South: Residential

LI Light Industrial

West: Commercial/Industrial

CN Commercial, LI Light Industrial

ENVIRONMENTAL STATUS

Completed by: AD

[x] Environmental Impact Report circulated June 20, 2003
[] Negative Declaration circulated on

[] Exempt
[] Environmental Review Incomplete

FILE HISTORY

Completed by: AD

Annexation Title: Original City

Date: 3/27/1850

PLANNING DEPARTMENT RECOMMENDATIONS AND ACTION

[x] Recommend Approval
[] Recommend Approval with Conditions

Date _____

Approved by: _____

OWNER / DEVELOPER

San Jose Water Land Company
374 W. Santa Clara Street
San Jose, CA 95196

PUBLIC AGENCY COMMENTS RECEIVED

Completed by: AD

Department of Public Works

N/A

Other Departments and Agencies

N/A

GENERAL CORRESPONDENCE

None

ANALYSIS AND RECOMMENDATIONS

BACKGROUND

The San Jose Water Land Company proposes a mixed-use commercial and residential development on an 8.83 gross acre site in the Diridon Station area at the western edge of downtown San Jose (refer to attached location map). The applicant proposes to rezone the site to allow the phased development of approximately one million square feet of commercial and retail uses, and up to 325 residential units. The project requires an Environmental Impact Report (EIR) under the California Environmental Quality Act (CEQA), which has been available for public review and comment from June 20, 2003 through August 6, 2003.

The site is bounded by West Santa Clara Street to the north, West San Fernando Street and a Santa Clara Valley Transportation Authority (VTA) LRT station under construction to the south, and the riparian channels of Los Gatos Creek and the Guadalupe River to the west and east, respectively. The project site is located adjacent to one of the proposed BART alternative routes through the downtown.

The project site is currently developed with the San José Water Company headquarters facility and a single-family residence, and the remainder of the 8.83-gross acre site is paved parking lots, and includes Delmas Avenue, which bisects the project site from north to south.

PROJECT DESCRIPTION

The project proposes to rezone the entire site to A(PD) Planned Development District (File No. PDC02-046), to allow a mixed-use commercial and residential development on the project site. A land use plan for the project is attached. The project would construct up to 1.025 million square feet (including the existing 15,000 square foot San José Water Company building) of commercial and retail uses east of Delmas Avenue (with up to 50,000 square feet of retail uses) (Site A on Figure 3), and up to 325 residential units with up to 5,000 to 15,000 square feet of ground floor commercial and retail uses west of Delmas Avenue (Site B on Figure 3).

For the entire project site, maximum building heights will be within a proposed envelope of 218 feet above-grade at the northern project boundary at West Santa Clara Street, and rising to a maximum height of 264 feet above-grade at the southern project boundary along West San Fernando Street. For commercial structures east of Delmas Avenue, the range of building heights would be approximately 10 to 14 stories, atop a five-level above-grade parking podium, while the residential building(s) west of Delmas Avenue, with lesser height per floor,

would be up to about 18 stories tall, also atop a five-level parking podium.

Retail uses will be over the below-grade parking and/or at the exterior edge of the structured parking. Townhouses also may be located at the exterior edge of structured parking. All of the other uses will be above the structured parking. The project proposes to construct townhouses fronting Los Gatos Creek with finished floor elevations one foot above the 100-year flood elevation. The project will conform to the requirements of San José's Flood Hazard Ordinance and the proposed buildings would not be subject to flood impacts. The project will retain the historic San Jose Water Works office building and the related Transformer House, and would remove all other structures present on the site.

An illustrative site plan of how the proposed land use plan might be developed on the site is attached. This plan is an illustrative example with respect to building massing, location and configuration, open space configuration, and pedestrian circulation. While the exact uses of the proposed project are not known at this time, it is anticipated that the project will accommodate approximately 3,000 employees, based upon a typical density of three employees per 1,000 square feet. More detail will be provided as actual buildings are proposed and reviewed with subsequent Planned Development Permit applications.

HISTORIC RESOURCE DESCRIPTION

The project site contains two areas of development where historic resources are located: the historic San Jose Water Works headquarters and ancillary buildings, located on West Santa Clara Street at the northeast corner of the site, and a single-family residence located mid-block on Delmas Avenue on the western portion of the site.

374 W. Santa Clara Street (San Jose Water Works).

The San Jose Water Works building was constructed in 1934. It was determined eligible for the National Register of Historic Places in 1990 and was designated a City Landmark in 1991 (HL 91-57). The building is significant for its association with the oldest privately owned water utility in California, and as an excellent example of a distinctive type of office building of its period, combining Moderne and Spanish Colonial Revival elements. The San Jose Water Works office building is part of a complex that includes the pump house, the transformer house, the data processing building, and the suction basin (see attached exhibit). The only building in this complex that dates from the construction of the main building or earlier and retains historic integrity is the 1913 transformer house. The other buildings and features are not historically significant in that they were either extensively remodeled in 1984-85, thus lacking historic integrity, or they are modern structures.

45 Delmas Avenue

The house located at 45 Delmas Avenue is a one-story, high basement Queen Anne style house built in 1892. The house was determined to be ineligible for the National Register in 1999 and does not appear eligible for the California Register. The house is listed on the San Jose Historic Resources Inventory as an "Identified Structure" and with a score of 57 points under the City of San Jose Historic Evaluation Criteria, would qualify as a Structure of Merit on the City's Inventory.

ENVIRONMENTAL REVIEW

The project is the subject of an Environmental Impact Report, referred to the Historic Landmarks Commission on July 2, 2003. The project would result in the following significant, unavoidable impacts:

- ? Five I-280 and SR 87 freeway segments
- ? Regional ozone and PM10 air quality impacts
- ? Temporary noise impacts during project construction
- ? Shading impact on the Arena Green and Guadalupe River Park Trail during midday hours around the winter solstice from buildout of the maximum building envelope

Additionally, the project would contribute towards the following significant unavoidable cumulative impacts:

- ? Significant unavoidable cumulative traffic impacts
- ? Significant unavoidable near-term cumulative air quality impacts
- ? Significant unavoidable cumulative construction noise impacts
- ? Significant unavoidable cumulative traffic-related noise impacts

All other potentially significant impacts of the project would be mitigated to a less than significant level by the measures described in the EIR.

GENERAL PLAN CONFORMANCE

The project site is designated as *General Commercial* and *Residential Support for the Core (25+ du/acre)* in the San José 2020 General Plan. The proposed uses are compatible with the General Plan designations on the site and require rezoning of the site. General Plan Urban Design Height Policies were amended in 2002 to allow building heights on the site to extend to the maximum allowed under FAA regulations, approximately 218 feet at Santa Clara Street and 264 feet at San Fernando Street.

With the aforementioned General Plan land use designations and allowed heights, the subject site is planned to become a westward expansion of the Downtown Core. The subject site is part of the larger Diridon/Arena area anticipated to redevelop with high density commercial office/mixed-use development, with a strong emphasis on lively pedestrian activity, entertainment uses, and a vibrant mix of local and national retail, with high accessibility to local and regional transit.

Additionally, the preservation and reuse of the historic Water Company and Transformer House is consistent with the General Plan Historic, Archaeological and Cultural Resources Goal of the preservation of historically significant structures and districts in order to promote a greater sense of awareness and community identity and to enhance the quality of urban living.

ANALYSIS

The San Water Company headquarters (Water Works) will remain with the proposed project and will have commercial and/or retail uses, subject to market demand. The design and construction of new development in proximity to this structure is a key project consideration. While no specific project design is proposed as part of the Planned Development Rezoning (it would appear at PD Permit stage), the future development will be subject to specified design guidelines that are proposed as part of the project. A key requirement with respect to historic

issues is a 40-foot primary setback zone for new construction from the San Jose Water Company building. No new structures are allowed in this zone, intended to be developed as a landscaped plaza.

There are two additional setback zones intended to maintain compatibility of scale with the existing building. In the secondary setback zone, extending from 40 to 55 feet from the San Jose Water Company building, new construction will not exceed 45 feet, and in the third zone, between 56 and 100 feet from the historic building,

new construction will not exceed 70 feet in height. Beyond 100 feet, new construction will be allowed subject to FAA requirements, as described above. Construction in the second setback zone will be consistent with the architecture, materials, color and other important features of the San Jose Water Company building. PD Permit plans for new construction in proximity to the San Jose Water Company building would be referred to the Historic Landmarks Commission for review and comment.

All other buildings, excluding the 1913 Transformer House, will be removed from the site. The 1913 Transformer House will either be retained in its current location or relocated on site within an area behind or to the side of the main office building that would retain the association between the two historic structures. A site plan showing the recommended relocation area is attached. The Transformer House will be rehabilitated according to the Secretary of the Interior's Standards and Guidelines for Rehabilitating Historic Buildings.

The house at 45 Delmas will be offered for relocation with assistance from the applicant equal to the cost of its demolition. If not accepted for relocation, the house would be demolished following salvage operations and photo documentation.

Conclusion

Staff believes the project has successfully responded to the site's primary historic issues in that

1. The site's two significant structures, the historic San Jose Water Company building and 1913 Transformer House, have been preserved,
2. New construction will be designed and setback to respect the scale and materials of the San Jose Water Company building, and
3. The house at 45 Delmas will be offered for relocation with financial assistance by the applicant.

COMMUNITY OUTREACH/SCHEDULE

A Notice of Availability for the project EIR was published in a local newspaper and mailed to all property owners and tenants within 1000 feet of the subject site. The EIR public comment period will close August 6, 2003. Additionally a public EIR scoping meeting was held in 2002. Public hearing notices will be mailed in advance of the Planning Commission and City Council public hearings on the project planned in late September and October, respectively.

RECOMMENDATION

Planning staff recommends that the Historic Landmarks Commission provide written comments regarding the proposed project to the Director of Planning. The Commission's comments will be considered by staff and forwarded to the Planning Commission and City Council for their respective public hearings on the project later this year.

Attachments: from the “Draft Environmental Impact Report, SJW Land Company Planned Development Rezoning”